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HOUSE COMMITTEE ON THE BUDGET Majority Caucus

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Summarizing budgetary issues in legislation scheduled for the House floor

9 April 2002

Week	c of	8	April	20	02

## SUSPENSION CALENDAR

- 1) Acquisition Streamlining Improvement Act of 2002 (H.R. 3921). This bill extends the simplified acquisition procedures of the Clinger-Cohen Act of 1996, (Public Law 104-106) for an additional 2 years beyond 1 January 2003, when they would otherwise expire. The bill does not increase direct spending (spending not subject to annual appropriations) or reduce revenue.
- 2) Recognizing the Ellis Island Medal of Honor and Commending the National Ethnic Coalition of Organizations.



This resolution has no budget implications.

3) Congratulating the People of Utah, the Salt Lake Organizing Committee and the Athletes of the World for a Successful and Inspiring 2002 Olympic Games. This resolution has no budget implications.



4) Washington County Recreational and Visitor Facilities Construction Act (H.R. 3848). This bill authorizes a grant of \$2.5 million to the State of Utah to build recreational and visitor facilities in the Sand Hollow Recreation Area. The bill does not increase direct spending or reduce revenue.



5) To Provide for the Conveyance of Certain Public Land in Clark County, Nevada (H.R. 2937). This bill would convey 2,800 acres of Federal lands to Clark County, Nevada for use as a public shooting range. Because the land does not generate any receipts, and is not expected to in the next 10 years, this bill does not increase direct spending or decrease revenue.



6) Bear River Migratory Bird Refuge Settlement Act of 2002 (H.R. 3958). This bill authorizes a payment of \$15 million to the State of Utah in exchange for a release of Utah's claims on the Bear River Migratory Bird Refuge. The bill does not increase direct spending or reduce revenue.

7) Upper Mississippi River Basin Protection Act of 2001 (H.R. 3480). This bill establishes a sediment and nutrient monitoring network as part of the



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PLEASE NOTE: This document addresses budgetary issues only. It should not be taken to express support or opposition on any other grounds. A green flag indicates no serious budgetary or budget compliance concerns. A yellow flag indicates moderate or potential problems. A red flag indicates serious problems. Note: Floor schedules and legislative details are subject to change after publication.

This document was prepared by the majority staff of the House Committee on the Budget. It has not been approved by the full committee and may not reflect the views of all the committee's members.

Upper Mississippi River Stewardship Initiative. The bill authorizes \$6.25 million a year to implement its provisions. Because these funds would be subject to appropriations, the bill does not increase direct spending or reduce revenue.

8) Business Checking Freedom Act (H.R. 1009). This bill amends the Federal Reserve Act, the Home



Owners' Loan Act, and the Federal Deposit Insurance Act to repeal the prohibition against the payment of interest-on-demand deposits. The bill does not increase direct spending or reduce revenue.

9) Taxpayer Protection and IRS Accountability Act of 2002 (H.R. 3991).



This bill would modify the Internal Revenue Code in a variety of ways. For example, it would revise certain collection procedures, such as those requiring the review of installment agreements for partial collection at least once every 2 years. It would extend from 9 months to 2 years the time allowed to return property wrongfully levied. It revises tax administration provisions to provide for the termination of an Internal Revenue Service [IRS] employee upon a final administrative or judicial determination of misconduct. The bill also makes a number of miscellaneous and technical changes to the tax code. The bill would increase revenue by \$27 million in fiscal year 2002, and by \$407 million in the period of fiscal years 2002 through 2006. Because the bill includes certain provisions which would not become first effective until fiscal year 2003, it is in technical violation of section 303 of the Congressional Budget Act. Section 303 prohibits the consideration of legislation that first becomes effective in a year for which a budget resolution has not been passed; and this section has been interpreted to apply, as well, to discrete provisions within any legislation considered on the floor.

## **LEGISLATION CONSIDERED UNDER A RULE**

Digital Technology Corps Act of 2002 (H.R. 3925)



Committee: Committee on Government Reform

Bill:

Summary:

**Summary:** This bill establishes an exchange program between the Federal Government and

> nongovernment businesses to promote information technology management. The bill allows the exchange of employees for up to 2 years between the Government and nongovernment interests to share information management talent and expertise. The bill, as reported, allows nongovernment employers to be reimbursed for all or part of the cost

of their employees' assignments with the Federal Government.

This bill will not increase direct spending or decrease revenue. The costs for **Budget Act:** 

implementing and administering this program will be subject to the availability of

appropriated funds for salary, training, and educational expenses.

Bill: Pension Security Act of 2002



Committees: Education and Workforce; Ways and Means

The Education and the Workforce Committee reported H.R. 3762, and the Ways and Means Committee reported H.R.3669. Both bills address pension security issues. H.R. 3669 imposes an excise tax on pension plans that do not give participants certain information, and that do not allow participants greater diversification of assets in contribution plans than generally required under current law. The bill excludes incentive stock options and employee purchase plan stock options from Federal Insurance Contribution Act and Federal Unemployment Tax Act wages if exercised after the date of

enactment.

H.R. 3762 amends the Employee Retirement Income Security Act [ERISA] to require individual account plans to furnish quarterly pension benefit statements to plan participants and beneficiaries. Under the new requirements, administrators must give 30 days notice to plan participants and beneficiaries before a period in which their ability to

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**Budget Week** Page 2 divest or diversify assets is limited. The legislation also provides for a variety of other reforms to ERISA and the Pension Benefit Guaranty Corporation [PBGC]. For instance, it includes incentives to small businesses to offer pension plans to their workers — specifically by lowering PBGC premiums for new small business defined benefit plans.

**Budget Act:** 

At the time of the preparation of this Budget Week, it was not clear which provisions of H.R. 3669 and H.R. 3762 would be brought to the floor for consideration. According to the Congressional Budget Office, the changes made to Pension Benefit Guarantee Corporation's premiums would increase direct spending over the 2002-2006 period by \$119 million. In addition, all of the revenue changes taken together would increase revenue by \$994 million in 2002, but decrease revenue by \$7.8 billion over the 2002-2006 period. The bill is consistent with the House-passed budget resolution for fiscal year 2003 (H.Con.Res. 353), but these levels are not binding until a conference report on the budget resolution is adopted.

As reported, both bills will be subject to points of order under the Congressional Budget Act. The increases in direct spending would trigger a point of order under Section 302(f) of the Congressional Budget Act. The revenue reductions would trigger a point of order under section 311(a) of the Act, which prohibits legislation that reduces revenue below the revenue floor established in the budget resolution. In addition, certain revenue provisions that do not first become effective until fiscal year 2003 violate section 303 of the Congressional Budget Act: section 303 prohibits the consideration of legislation that first becomes effective for a year in which a budget resolution has not been passed; and it has been interpreted to apply to discrete provisions within any legislation considered on the floor as well. Under the Budget Act, these points of order could be addressed by modifying the legislation through self-executing language included in the rule providing for its consideration.

Prepared by ...... The House Committee on the Budget

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